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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

FILE: B-191868

DATE May 11, 1978

MATTER OF: Harry C. Partridge, Jr. & Sons, Inc.

DIGEST:

Dispute arising under contract regarding contractor's performance must be pursued under contract "Disputes" clause procedure and is not matter for consideration by GAO.

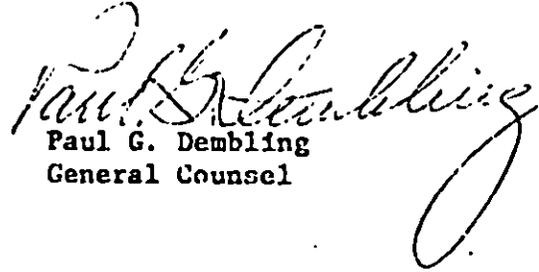
Harry C. Partridge, Jr. & Sons, Inc. (Partridge) appeals to this Office a decision by a Veterans Administration (V.) contracting officer denying its claim in connection with contract No. V614C214, calling for the replacement of windows and stucco on several buildings at the VA hospital in Perry Point, Maryland. The claim, among other things, involves the effect of a stop work order issued by the contracting officer.

The authority of this Office does not include intervention between a contractor and a contracting agency for the purpose of resolving a dispute arising under a contract. This is a matter for settlement pursuant to the procedures set out in the "Disputes" clause which is contained in standard Government contracts. Those procedures provide for a decision by the contracting officer, with the contractor having a right of appeal from the decision to the head of the agency concerned. Both the contractor and the Government are bound to follow the procedure set out in the contract for the administration of disputes arising out of the contract, and the contractor must exhaust its administrative remedies under the "Disputes" clause before resorting to the courts. Hugh Brzington Contracting Company, B-187022, September 14, 1976, 76-2 CPD 243. Notice of this appeal procedure was contained in the last paragraph of the contracting officer's decision.

Furthermore, it should be noted that as a result of S&E Contractors, Inc. v. United States, 406 U.S. 1 (1972), this Office no longer reviews decisions rendered under the "Disputes" clause. In that case, the United States Supreme Court held that, absent bad faith or fraud, a final agency settlement or decision, rendered under the "Disputes" clause, is not subject to further administrative review.

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Accordingly, any remedy available to Fartridge must be pursued according to the procedures set forth in the "Disputes" clause of the contract.


Paul G. Dembling
General Counsel